

## HOUSE SUMMARY OF SENATE AMENDMENTS

**HB 535**

**2025 Regular Session**

**Mandie Landry**

LEGISLATIVE AUDITOR: Requires the Louisiana Legislative Auditor to evaluate state tax incentives

### Synopsis of Senate Amendments

1. Removes proposed repeal of present law (R.S. 47:1517.1) relative to audits and reporting concerning tax incentives and rebates.

### Digest of Bill as Finally Passed by Senate

Present law (R.S. 47:1517.1) authorizes the legislative auditor (LLA) to conduct performance audits of state agency programs that administer tax incentives in order to evaluate the impact, efficiency, effectiveness, and cost-effectiveness of programs and to identify programs that are vital and in the best interests of the citizens of La. Proposed law retains present law.

Present law (R.S. 51:935.1) requires La. Economic Development to issue an annual unified economic development budget report. Requires the LLA to conduct performance audits of at least three economic development programs as defined in present law in order to evaluate the management controls, accuracy, and reliability of reported information regarding the programs.

Proposed law repeals present law.

Proposed law requires the LLA to make evaluations and to publish quadrennial reports on each tax incentive and economic development program administered by a state agency, but provides that the LLA may exempt from evaluation any incentive that he concludes has a minimal fiscal impact. Provides that the LLA may contract with third parties to assist with evaluations.

Proposed law requires the LLA to prepare a cost-benefit analysis of tax incentives and economic development programs and the impact they have on state revenue. Requires that these evaluations include assessments and all of the following:

- (1) Surveying of tax incentive recipients.
- (2) Analysis of economic impacts.
- (3) Impacts to local sales tax collections.

Proposed law authorizes the LLA to require companies to participate in evaluations and accurately verify data collected.

Proposed law requires the LLA to submit a report to the legislature on a quadrennial basis starting Dec. 31, 2026.

(Adds R.S. 47:1517.2; Repeals R.S. 51:935.1)